

CHAPTER NO. 654**HOUSE BILL NO. 2678****By Representatives Baird, Pleasant****Substituted for: Senate Bill No. 3089****By Senator Burchett**

AN ACT to amend Tennessee Code Annotated, Title 66, Chapter 11, Part 1, relative to liens on gas, oil or other mineral leaseholds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 66, Chapter 11, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section ____.

(a) Any person who performs labor or furnishes materials, supplies, fixtures, machinery or other things of value to a lessee holding or owning a leasehold, or any right conferred by a lease, relating to oil, gas or other minerals, in the development or improvement of the leasehold, by contract with or by the written consent of the owner or the agent or representative of the owner of the leasehold, shall have a lien on the leasehold or the entire interest of the lessee including oil or gas wells, machinery and equipment, to secure the payment for the labor or things furnished. If the labor or things are furnished at the written request or by written consent of any contractor or subcontractor, or the agent of either, the lien therein given shall be for the benefit of whoever may furnish any of the labor or things mentioned. The lien herein provided for shall be effective against the leasehold, or the entire interest of the lessee therein, including all improvements belonging to the lessee.

(b) The lien shall relate to and take effect from the time of the delivery of the materials, supplies, fixtures, or machinery, or from the date of furnishing of any labor.

(c) If unpaid, the lien shall expire and be of no effect after ninety (90) days unless the person furnishing the labor, materials, or supplies, files with the register's office in the county in which the leasehold is located, the sworn statement provided in §66-11-112. A copy of the notice shall also be provided to the owner of the property and the holder of the leasehold by registered or certified mail.

(d) A lien provided in this section shall have precedence over all other subsequent liens or conveyances after the time of attachment, provided that the sworn statement is filed within the ninety (90) day period provided in this section.

(e) The provisions of §66-11-120, shall apply to this lien.

SECTION 2. This act shall take effect July 1, 2006, the public welfare requiring it.

PASSED: April 27, 2006


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 12th day of May 2006


PHIL BREDESEN, GOVERNOR